

December 2001



# North Dakota REV-E-NEWS

**From Rod Backman, Director  
Office of Management and Budget  
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As noted on page two of this newsletter, general fund revenues for the first five months of this biennium are very close to projections. Overall, our revenues exceed projections by \$299,849 or 0.1 percent. Considering many other states are experiencing severe revenue shortfalls, this is good news, however, because this margin is so small, it could change very quickly and bears watching carefully. The new revenue forecast is not completed yet, but will be completed by the end of December and will be reported to the

Budget Section when it meets in January.

Nationally, Christmas sales appear to be down, however, local retailers are reporting very good Christmas sales so far.

**Merry Christmas and Happy New Year to You and Your Family !!!**



## CAFR Completed

North Dakota's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2001, has been completed. The CAFR is the only report that shows the entire state financial picture in one document. Copies of the CAFR are available through the Office of Management and Budget and may also be viewed on the Internet at <http://www.state.nd.us/fiscal> after January 1, 2002.

Comments or Questions???

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## Oil Activity

Oil production in October averaged 85,587 barrels per day compared to 86,076 barrels per day in September and 90,460 barrels per day one year earlier. The forecast for production in October was 91,430.

The current price of oil in North Dakota is in the range of \$13 per barrel which compares to the pro-

jected price of \$22 per barrel for this month.

North Dakota has ten rigs drilling in North Dakota compared to 13 rigs one year ago. The low rig count is primarily due to the low price of oil.

**STATEMENT OF GENERAL FUND REVENUES AND FORECASTS**  
**Compared to March 2001 Legislative Forecast**  
**2001-03 BIENNIUM**  
**NOVEMBER 2001**

REVENUES AND TRANSFERS	2001 Legislative Forecast	FISCAL MONTH			2001 Legislative Forecast	BIENNIUM TO DATE		
		Actual	Variance	Percent		Actual	Variance	Percent
Sales Tax	30,274,000.00	\$ 30,568,653.17	\$ 294,653.17	1.0%	\$ 132,350,000.00	\$ 134,508,442.86	\$ 2,158,442.86	1.6%
Motor Vehicle Excise Tax	4,027,000.00	5,407,434.72	1,380,434.72	34.3%	23,805,000.00	26,555,153.52	2,750,153.52	11.6%
Individual Income Tax	16,382,000.00	15,831,690.82	(550,309.18)	-3.4%	79,124,000.00	75,904,734.76	(3,219,265.24)	-4.1%
Corporate Income Tax	1,800,000.00	1,370,323.04	(429,676.96)	-23.9%	4,688,000.00	4,675,631.35	(12,368.65)	-0.3%
Insurance Premium Tax	4,300,000.00	3,296,676.00	(1,003,324.00)	-23.3%	5,636,000.00	5,565,375.42	(70,624.58)	-1.3%
Financial Insitutions Tax		287,379.00	287,379.00	100.0%		660,904.00	660,904.00	100.0%
Oil & Gas Production Tax	1,937,000.00	1,552,729.36	(384,270.64)	-19.8%	9,680,000.00	8,138,415.80	(1,541,584.20)	-15.9%
Gaming Tax	1,600,000.00	1,954,251.16	354,251.16	22.1%	4,461,000.00	5,883,555.05	1,422,555.05	31.9%
Interest Income	724,000.00	292,236.65	(431,763.35)	-59.6%	3,220,000.00	2,301,055.73	(918,944.27)	-28.5%
Oil Extraction Tax	1,179,000.00	938,293.46	(240,706.54)	-20.4%	5,893,000.00	5,021,527.82	(871,472.18)	-14.8%
Cigarette & Tobacco Tax	1,660,000.00	1,785,356.85	125,356.85	7.6%	8,909,000.00	9,032,337.79	123,337.79	1.4%
Departmental Collections	1,000,000.00	1,199,397.12	199,397.12	19.9%	12,250,000.00	13,116,129.83	866,129.83	7.1%
Wholesale Liquor Tax	399,983.00	521,483.06	121,500.06	30.4%	2,268,240.00	2,374,940.39	106,700.39	4.7%
Coal Conversion Tax	2,025,000.00	1,962,863.80	(62,136.20)	-3.1%	10,183,000.00	9,520,272.61	(662,727.39)	-6.5%
Mineral Leasing Fees	400,000.00	233,643.42	(166,356.58)	-41.6%	1,760,000.00	1,200,372.42	(559,627.58)	-31.8%
Bank of North Dakota-Transfer								
State Mill & Elevator-Transfer								
Gas Tax Admin-Transfer			-	0.0%	340,848.00	340,848.00	-	0.0%
Other Transfers		5,791.00	5,791.00	100.0%		68,239.88	68,239.88	100.0%
<b>Total Revenues and Transfers</b>	<b>67,707,983.00</b>	<b>67,208,202.63</b>	<b>(499,780.37)</b>	<b>-0.7%</b>	<b>304,568,088.00</b>	<b>304,867,937.23</b>	<b>299,849.23</b>	<b>0.1%</b>

**COMPARISON TO PREVIOUS BIENNIUM REVENUES**  
**1999-01 BIENNIUM**  
**NOVEMBER 2001**

REVENUES AND TRANSFERS	FISCAL MONTH				BIENNIUM TO DATE			
	November 1999	November 2001	Variance	Percent	2001	2003	Variance	Percent
Sales Tax	\$ 32,756,698.46	\$ 30,568,653.17	\$ (2,188,045.29)	-6.7%	\$ 131,522,266.34	\$ 134,508,442.86	\$ 2,986,176.52	2.3%
Motor Vehicle Excise Tax	4,168,601.53	5,407,434.72	1,238,833.19	29.7%	23,057,830.37	26,555,153.52	3,497,323.15	15.2%
Individual Income Tax	16,764,535.68	15,831,690.82	(932,844.86)	-5.6%	68,610,207.11	75,904,734.76	7,294,527.65	10.6%
Corporate Income Tax	321,624.73	1,370,323.04	1,048,698.31	326.1%	11,942,030.26	4,675,631.35	(7,266,398.91)	-60.8%
Insurance Premium Tax	3,052,427.69	3,296,676.00	244,248.31	8.0%	5,040,596.82	5,565,375.42	524,778.60	10.4%
Financial Insitutions Tax	8,426.00	287,379.00	278,953.00	3310.6%	2,796.00	660,904.00	658,108.00	23537.5%
Oil & Gas Production Tax	1,432,637.22	1,552,729.36	120,092.14	8.4%	5,842,366.80	8,138,415.80	2,296,049.00	39.3%
Gaming Tax	1,899,398.86	1,954,251.16	54,852.30	2.9%	5,973,060.17	5,883,555.05	(89,505.12)	-1.5%
Interest Income	363,258.36	292,236.65	(71,021.71)	-19.6%	2,276,063.79	2,301,055.73	24,991.94	1.1%
Oil Extraction Tax	1,007,884.22	938,293.46	(69,590.76)	-6.9%	4,528,156.90	5,021,527.82	493,370.92	10.9%
Cigarette & Tobacco Tax	1,699,273.47	1,785,356.85	86,083.38	5.1%	9,752,982.19	9,032,337.79	(720,644.40)	-7.4%
Departmental Collections	926,786.79	1,199,397.12	272,610.33	29.4%	5,759,073.70	13,116,129.83	7,357,056.13	127.7%
Wholesale Liquor Tax	527,003.50	521,483.06	(5,520.44)	-1.0%	1,884,480.42	2,374,940.39	490,459.97	26.0%
Coal Severance Tax	947,173.19	0.00	(947,173.19)	-100.0%	4,718,107.14		(4,718,107.14)	-100.0%
Coal Conversion Tax	1,037,173.46	1,962,863.80	925,690.34	89.3%	4,960,808.71	9,520,272.61	4,559,463.90	91.9%
Mineral Leasing Fees	339,134.56	233,643.42	(105,491.14)	-159.0%	1,277,690.67	1,200,372.42	(77,318.25)	-6.1%
Bank of North Dakota-Transfer							-	
State Mill & Elevator-Transfer								
Gas Tax Admin-Transfer					345,152.00	340,848.00	(276,912.12)	-80.2%
Other Transfers	85,222.58	5,791.00	(79,431.58)	-93.2%	1,850,614.34	68,239.88	1,782,374.46	96.3%
<b>Total Revenues and Transfers</b>	<b>67,337,260.30</b>	<b>67,208,202.63</b>	<b>(129,057.67)</b>	<b>-0.2%</b>	<b>289,344,283.73</b>	<b>304,867,937.23</b>	<b>15,523,653.50</b>	<b>5.4%</b>

# Revenue Variances

Sales tax collections exceeded the monthly projection by \$294,653 or 1.0 percent. Biennium-to-date collections are \$2.2 million or 1.6 percent ahead of projections.

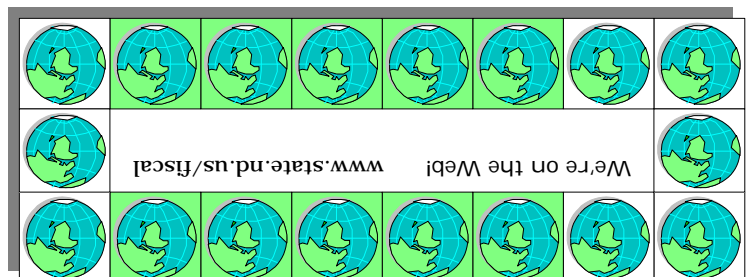
Low financing for new vehicles continues to spur automobile sales. Motor vehicle excise tax collections were \$1.4 million or 34.3 percent ahead of the projections for November, which brings the biennium to-date collections to \$2.8 million or 11.6 percent ahead of projections.

Individual income tax collections fell below forecast in November by \$550,309 or 3.4 percent. Biennium-to-date collections are \$3.2 million or 4.1 percent behind projections. The first several months of the biennium are not nearly as significant for individual income tax collections as are the months of February, March, and April when in-

come tax returns are received. Even though collections are below forecast at this point in the biennium, this small shortfall could easily be recouped during the income tax filing season.

As a result of the timing of the collections, insurance premium tax collections were \$1.0 million or 23.3 percent below projections for November. Biennium-to-date collections are \$70,625 or 1.3 percent below projections and are not a cause for concern.

Because of the continued drop of the price of oil, oil tax collections were again behind projections. Oil and gas production tax collections were \$384,271 below forecast and oil extraction tax collections were \$240,707 below projections for November.



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